

November 12, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2009 -00419

Dear Mr. Derouen:

On October 26, 2009, Columbia Gas of Kentucky, Inc. ("Columbia") filed with the Commission its December quarterly Gas Cost Adjustment ("GCA") pursuant to the requirements of the Gas Cost Adjustment Provision contained in its tariff. Columbia has subsequently discovered an error on Schedule No. 1 Sheet 2 of its filing. The city-gate volumes in Dth should be 15,500,000 Dth instead of 14,850,000 Dth.

Please accept the attached schedules, correcting Columbia's filing of October 26, 2009 to be effective with its December 2009 billing cycle on November 25, 2009. Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Dec 09 - Feb 10

Schedule No. 1
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Dec 2009 - Nov 2010	Sch. No.1, Sheet 3, Ln. 41	\$20,068,035
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$93,374
3	Less Storage Service Recovery from Delivery Service Customers		-\$162,114
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,812,548
	Projected Annual Demand: Sales + Choice		
	At city-gate		
	In Dth		15,550,000 Dth
	Heat content		1.0558 Dth/MCF
5	In MCF		14,728,168 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume	5 * 6	132,554 MCF
8	Right of way Volumes		<u>4,775</u>
9	At Customer Meter	5 - 7 - 8	14,590,840 MCF
10	Unit Demand Cost (4/ 9)	To Sheet 1, line 19	\$1.3579 per MCF

Columbia Gas of Kentucky, Inc.
Expected Gas Cost for Sales Customers
Dec 09 - Feb 10

Schedule No. 1
Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
Storage Supply							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			(4,393,000)		\$0.0153	\$67,213
2	Injection			45,000		\$0.0153	\$689
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			4,348,000		\$4.4023	\$19,141,413
Total							
4	Volume	= 3		4,348,000			
5	Cost	sum(1:3)					\$19,209,315
6	Summary	4 or 5		4,348,000			\$19,209,315
Flowing Supply							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch. 1, Sht. 5, Ln. 4		1,668,000			\$11,146,000
8	Appalachian Supplies	Sch. 1, Sht. 6, Ln. 4		207,000			\$1,243,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1, Sheet 7, Lines 21, 22		(187,000)			(\$1,191,688)
10	Total	7 + 8 + 9		1,688,000			\$11,197,312
Total Supply							
11	At City-Gate	Line 6 + 10		6,036,000			\$30,406,627
Lost and Unaccounted For							
12	Factor					-0.9%	
13	Volume	Line 11 * 12		(54,324)			
14	At Customer Meter	Line 11 + 13	5,665,539	5,981,676			
15	Less: Right-of-Way Contract Volume			789			
16	Sales Volume	Line 14-15	5,664,750				
Unit Costs \$/MCF							
Commodity Cost							
17	Excluding Cost of Pipeline Retention	Line 11 / Line 16				\$5.3677	
18	Annualized Unit Cost of Retention	Sch. 1, Sheet 7, Line 24				\$0.3937	
19	Including Cost of Pipeline Retention	Line 17 + 18				\$5.7614	
20	Uncollectible Ratio	CN 2009-00141				<u>0.01410552</u>	
21	Gas Cost Uncollectible Charge	Line 19 * Line 20				\$0.0813	
22	Total Commodity Cost	line 19 + line 21				\$5.8427	
23	Demand Cost	Sch. 1, Sht. 2, Line 10				\$1.3579	
24	Total Expected Gas Cost (EGC)	Line 22 + 23				\$7.2006	

A/ BTU Factor = 1.0558 Dth/MCF

Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Clause
Gas Cost Recovery Rate
Dec 09 - Feb 10

Corrected

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$7.2006	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	(\$2.9537)	8-31-10
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-10
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0001)	08-31-10
			(\$0.0053)	02-28-10
		Total Refunds	<u>(\$0.0054)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	\$0.0691	2-28-10
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0584	2-28-10
7	Gas Cost Adjustment			
8	Dec 09 - Feb 10		<u>\$4,3688</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4		<u>\$6,5664</u>	

DATE FILED: October 26, 2009

BY: J. M. Cooper

Columbia Gas of Kentucky, Inc.
Comparison of Current and Proposed GCAs

Corrected

Line No.	November 2009 <u>CURRENT</u>	December-09 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$5.1588	\$5.8427	\$0.6839
2	Demand Cost of Gas	<u>\$1.3565</u>	<u>\$1.3579</u>	<u>\$0.0014</u>
3	Total: Expected Gas Cost (EGC)	\$6.5153	\$7.2006	\$0.6853
4	SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5	Balancing Adjustment	\$0.0691	\$0.0691	\$0.0000
6	Supplier Refund Adjustment	(\$0.0054)	(\$0.0054)	\$0.0000
7	Actual Cost Adjustment	(\$2.9537)	(\$2.9537)	\$0.0000
8	Gas Cost Incentive Adjustment	<u>\$0.0584</u>	<u>\$0.0584</u>	<u>\$0.0000</u>
9	Cost of Gas to Tariff Customers (GCA)	\$3.6835	\$4.3688	\$0.6853
10	Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11	Banking and Balancing Service	\$0.0208	\$0.0207	(\$0.0001)
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	\$6.5675	\$6.5664	(\$0.0011)

COLUMBIA GAS OF KENTUCKY
CASE NO. 2009- 00419 Effective December 2009 Billing Cycle

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 23)	\$1.3579	
Demand ACA (Schedule No. 2)	-0.1154	
Total Refund Adjustment	-0.0054	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$1.2369	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 22)	\$5.8427
Commodity ACA (Schedule No. 2)	-\$2.8383
Balancing Adjustment (Schedule No. 3)	\$0.0691
Gas Cost Incentive Adjustment (Case No. 2009-00036)	<u>\$0.0584</u>
Total Commodity Rate per Mcf	\$3.1319

CHECK:	\$1.2369
	<u>\$3.1319</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$4.3688

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2)	-\$2.8383
Balancing Adjustment (Schedule No. 3)	\$0.0691
Gas Cost Incentive Adjustment (Case No. 2009-00036)	<u>\$0.0584</u>
Total Commodity Rate per Mcf	-\$2.7108

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES				
<u>SALES SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u> <u>Demand</u> <u>Commodity</u> \$ \$		<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GSR</u>				
Customer Charge per billing period	12.35			12.35
Delivery Charge per Mcf	1.8715	1.2369	3.1319	6.2403
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	25.13			25.13
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	1.2369	3.1319	6.2403
Next 350 Mcf per billing period	1.8153	1.2369	3.1319	6.1841
Next 600 Mcf per billing period	1.7296	1.2369	3.1319	6.0984
Over 1,000 Mcf per billing period	1.5802	1.2369	3.1319	5.9490
<u>RATE SCHEDULE IS</u>				
Customer Charge per billing period	583.39			583.39
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		3.1319 ^{2/}	3.6786
Over 30,000 Mcf per billing period	0.2905		3.1319 ^{2/}	3.4224
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5664		6.5664
<u>RATE SCHEDULE IUS</u>				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf				
For All Volumes Delivered	0.7750	1.2369	3.1319	5.1438
<p>^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$7.2006 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p>^{2/} IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>				

DATE OF ISSUE: October 26, 2009

DATE EFFECTIVE: November 25, 2009
 (December Unit 1 Billing)

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u> <u>Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE SS</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5664		6.5664
Standby Service Commodity Charge per Mcf			3.1319	3.1319
<u>RATE SCHEDULE DS</u>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period ^{2/}				583.39
Customer Charge per billing period (GDS only)				25.13
Customer Charge per billing period (IUDS only)				331.50
<u>Delivery Charge per Mcf^{2/}</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
– Grandfathered Delivery Service				
First 50 Mcf or less per billing period				1.8715
Next 350 Mcf per billing period				1.8153
Next 600 Mcf per billing period				1.7296
All Over 1,000 Mcf per billing period				1.5802
– Intrastate Utility Delivery Service				
All Volumes per billing period				0.7750
Banking and Balancing Service				
Rate per Mcf		0.0207		0.0207
<u>RATE SCHEDULE MLDS</u>				
Administrative Charge per account each billing period				55.90
Customer Charge per billing period				200.00
Delivery Charge per Mcf				0.0858
Banking and Balancing Service				
Rate per Mcf		0.0207		0.0207
1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.				
2/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.				

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COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

<u>RATE SCHEDULE SVGTS</u>	<u>Billing Rate</u>
	\$
<u>General Service Residential</u>	
Customer Charge per billing period	12.35
Delivery Charge per Mcf	1.8715
<u>General Service Other - Commercial or Industrial</u>	
Customer Charge per billing period	25.13
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	331.50
Delivery Charge per Mcf	\$ 0.7750
<u>Actual Gas Cost Adjustment ^{1/}</u>	
For all volumes per billing period per Mcf	(\$ 2.7108)
<u>RATE SCHEDULE SVAS</u>	
Balancing Charge – per Mcf	\$ 1.0941

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1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS, IS or IUS.

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President